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10 **BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**
11

12 In the Matter of the Accusation Against:

Case No. AC-2005-23

13 CHARLENE NICOLETTA MOORE
880 Tahoe Keys Boulevard
14 South Lake Tahoe, CA 96150

**STIPULATED SETTLEMENT
AND DISCIPLINARY ORDER**

15 Certified Public Accountant Certificate No. CPA 48621

16 Respondent.
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18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
19 above-entitled proceedings that the following matters are true:

20 PARTIES

21 1. Carol Sigmann ("Complainant") is the Executive Officer of the California
22 Board of Accountancy. She brought this action solely in her official capacity and is represented
23 in this matter by Bill Lockyer, Attorney General of the State of California, by Jessica M.
24 Amgwerd, Deputy Attorney General.

25 2. Respondent Charlene Nicolette Moore (hereinafter "Respondent"), is not
26 represented in this proceeding.

27 3. On July 31, 1987, the California Board of Accountancy issued Respondent
28 Charlene Nicolette Moore a Certified Public Accountant Certificate, No. CPA 48621, to practice

1 as a certified public accountant under the laws of the State of California. Said license status is
2 current and active, and will expire December 31, 2006.

3 JURISDICTION

4 4. Accusation No. AC-2005-23 was filed before the California Board of
5 Accountancy (Board), Department of Consumer Affairs, and is currently pending against
6 Respondent. The original Accusation and all other statutorily required documents were properly
7 served on Respondent on October 3, 2005. Respondent timely filed a Notice of Defense
8 contesting the Accusation. A copy of Accusation No. AC-2005-23 is attached as exhibit A and
9 incorporated herein by reference.

10 ADVISEMENT AND WAIVERS

11 5. Respondent has carefully read, and understands the charges and allegations
12 in the Accusation No. AC-2005-23. Respondent has also carefully read and understands the
13 effects of this Stipulated Settlement and Disciplinary Order.

14 6. Respondent is fully aware of her legal rights in this matter, including the
15 right to a hearing on the charges and allegations in the Accusation; the right to be represented by
16 counsel at Respondent's own expense; the right to confront and cross-examine the witnesses
17 against Respondent; the right to present evidence and to testify on Respondent's own behalf; the
18 right to the issuance of subpoenas to compel the attendance of witnesses and the production of
19 documents; the right to reconsideration and court review of an adverse decision; and all other
20 rights accorded by the California Administrative Procedure Act and other applicable laws.

21 7. Respondent voluntarily, knowingly, and intelligently waives and gives up
22 each and every right set forth above.

23 CULPABILITY

24 8. Respondent admits the truth of each and every charge and allegation in
25 Accusation No. AC-2005-23.

26 9. Respondent agrees that her Certified Public Accountant Certificate No.
27 CPA 46821 is subject to discipline and Respondent agrees to be bound by the Board's imposition
28 of discipline as set forth in the Disciplinary Order below.

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- 1 2. **Submit Written Reports.** Respondent shall submit, within ten (10) days
2 of completion of the quarter, written reports to the Board on a form obtained from the Board.
3 The Respondent shall submit, under penalty of perjury, such other written reports, declarations,
4 and verification of actions as are required. These declarations shall contain statements relative to
5 Respondent's compliance with all the terms and conditions of probation. Respondent shall
6 immediately execute all release of information forms as may be required by the Board or its
7 representatives.
- 8 3. **Personal Appearances.** Respondent shall, during the period of probation,
9 appear in person at interviews/meetings as directed by the Board or its designated
10 representatives, provided such notification is accomplished in a timely manner.
- 11 4. **Comply With Probation.** Respondent shall fully comply with the terms
12 and conditions of the probation imposed by the Board and shall cooperate fully with
13 representatives of the Board of Accountancy in its monitoring and investigation of the
14 Respondent's compliance with probation terms and conditions.
- 15 5. **Practice Investigation.** Respondent shall be subject to, and shall permit,
16 practice investigation of the Respondent's professional practice. Such a practice investigation
17 shall be conducted by representatives of the Board, provided notification of such review is
18 accomplished in a timely manner.
- 19 6. **Comply With Citations.** Respondent shall comply with all final orders
20 resulting from citations issued by the Board of Accountancy.
- 21 7. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
22 Respondent should leave California to reside or practice outside this state, Respondent must
23 notify the Board in writing of the dates of departure and return. Periods of non-California
24 residency or practice outside the state shall not apply to reduction of the probationary period, or
25 of any suspension. No obligation imposed herein, including requirements to file written reports,
26 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
27 affected by such periods of out-of-state residency or practice except at the written direction of the
28 Board.

1 8. **Violation of Probation.** If Respondent violates probation in any respect,
2 the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation
3 and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke
4 probation is filed against Respondent during probation, the Board shall have continuing
5 jurisdiction until the matter is final, and the period of probation shall be extended until the matter
6 is final.

7 9. **Completion of Probation.** Upon successful completion of probation,
8 Respondent's license will be fully restored.


9 10. **Cost Restitution.** Respondent shall reimburse the Board in the amount of
10 Five Thousand Four Hundred and Eighty-Nine Dollars and Sixty Five Cents \$5,489.65 for its
11 investigation and prosecution costs. The payment shall be made within 90 days from the
12 effective date of this decision.

13 11. **Restricted Practice.** Respondent shall be prohibited from performing
14 attest engagements, including but not limited to audits and reviews.

15 ACCEPTANCE

16 I have carefully read the above Stipulated Settlement and Disciplinary Order, and I
17 understand the stipulation and the effect it will have on my accountancy license. I enter into this
18 Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree
19 to be bound by the Decision and Order of the California Board of accountancy. I agree that a
20 signed facsimile (FAX) of this document shall be as binding as an original signed copy.

21 DATED: 11-10-05.

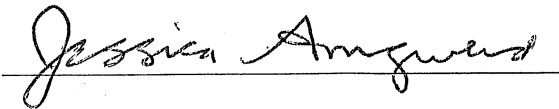
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23 Charlene Nicoletta Moore
24 Respondent
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1 ENDORSEMENT

2 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
3 submitted for consideration by the California Board of Accountancy, Department of Consumer
4 Affairs.

5 DATED: December 5, 2005

6 BILL LOCKYER, Attorney General
7 of the State of California

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10 JESSICA M. AMGWERD
11 Deputy Attorney General

12 Attorneys for Complainant
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**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2005-23

CHARLENE NICOLETTA MOORE
880 Tahoe Keys Boulevard
South Lake Tahoe, CA 96150

Certified Public Accountant Certificate No.
CPA 48621

Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on February 24, 2006.

It is so ORDERED January 25, 2006.


THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 BILL LOCKYER, Attorney General
of the State of California
2 JESSICA M. AMGWERD, State Bar No. 155757
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10 **CALIFORNIA BOARD OF ACCOUNTANCY**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

12 In the Matter of the Accusation Against:

Case No. AC-2005-23

13 CHARLENE NICOLETTA MOORE
880 Tahoe Keys Boulevard
14 South Lake Tahoe, CA 96150

A C C U S A T I O N

15 Certified Public Accountant Certificate No. CPA 48621

16 Respondent.
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18 Carol Sigmann ("Complainant"), for cause for discipline, alleges:

19 **PARTIES**

20 1. Complainant brings this Accusation solely in her official capacity as the
21 Executive Officer of the California Board of Accountancy ("Board"), Department of Consumer
22 Affairs.

23 2. On or about July 31, 1987, the Board issued Certified Public Accountant
24 Certificate Number CPA 48621 to Charlene Nicoletta Moore ("Respondent"). Respondent's
25 certified public accountant certificate was in full force and effect at all times relevant to the
26 charges brought herein and will expire on December 31, 2006, unless renewed.

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1 of this chapter to pay to the board all reasonable costs of investigation and
2 prosecution of the case, including, but not limited to, attorney's fees . . .

3 **FIRST CAUSE FOR DISCIPLINE**

4 **(Gross Negligence)**

5 8. Respondent is subject to disciplinary action under Code section 5100,
6 subdivision (c), in that she committed acts constituting gross negligence in the performance of
7 an audit of Cave Rock Villas Homeowners Association (hereinafter "the Homeowners
8 Association") for the periods ending August 31, 2002, and August 31, 2001.

9 **Audit Report:**

10 9. Respondent failed to comply with professional standards for reporting on
11 financial statements prepared on an "Other Comprehensive Basis of Accounting" (OCBOA), in
12 violation of AU¹ Section 623.05, as follows:

13 a. Respondent failed to include in the audit report a title that included the
14 word *independent*.

15 b. Respondent failed to include in the audit report a paragraph stating that the
16 financial statements were audited or that the financial statements are the responsibility of the
17 company's management and that the auditor is responsible for expressing an opinion on the
18 financial statements based on the audit.

19 c. Respondent failed to include in the audit report a paragraph stating that the
20 audit was conducted in accordance with auditing standards generally accepted in the United
21 States and that those standards require that the auditor plan and perform the audit to obtain
22 reasonable assurance about whether the financial statements are free of material misstatement.

23 d. Respondent failed to include in the audit report a paragraph stating that an
24 audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the

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26 _____
27 1. Standards applicable to the performance of an audit required by Generally Accepted Auditing
28 Standards (GAAS) are discussed in the Statements on Auditing Standards (SAS) and are codified by
the AICPA. The statements are codified by the "AU" number.

1 financial statements, assessing the accounting principles used and significant estimates made by
2 management, and evaluating the overall financial statement presentation.

3 e. Respondent failed to include in the audit report a paragraph stating that she
4 believes that her audit provides a reasonable basis for the opinion.

5 f. Respondent failed to include in the audit report a paragraph stating the
6 basis of presentation and referring to the note to the financial statement that describes the basis.
7 Further, Respondent failed to include a paragraph stating that the basis of presentation is a
8 comprehensive basis of accounting other than generally accepted accounting principles.

9 g. Respondent failed to include in the audit report a paragraph expressing her
10 opinion on whether the financial statements are presented fairly, in all material respects, in
11 conformity with the cash basis of accounting.

12 10. Respondent failed to cover in the audit report the supplemental
13 information shown on the balance sheet that is not part of the basic financial statements covered
14 by the standard audit report, in violation of AU Section 551.04.²

15 11. Respondent failed to disclose in the audit report the omission of required
16 supplemental information for common interest realty associations related to Future Major
17 Repairs and Replacements, in violation of CIRA Guide Sections 4.27 to 4.33.

18 **Financial Statements:**

19 12. Respondent failed to include in the notes to the financial statements
20 disclosures required for financial statements prepared on an OCBOA, specifically, a summary
21 of significant accounting policies that discusses the basis of presentation and describes how that
22 basis differs from generally accepted accounting principles, in violation of AU Section 623.10.

23 **Working Papers:**

24 13. Respondent failed to document the planning of the audit, in violation of
25 AU Section 311.01.

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27 2. The supplemental information of Dues Receivable shown on the balance sheet is not part of the
28 basic financial statements covered by the audit report, since the financial statements are on the cash
basis (which would not have receivables).

1 14. Respondent failed to document the understanding of the Homeowners
2 Association's internal control structure and the assessed level of control risk, in violation of
3 AU Sections 319.61 and 319.83.

4 15. Respondent failed to prepare written audit programs, in violation of
5 AU Section 311.05.

6 16. Respondent referred to the audit of the Homeowners Association as an
7 "examination" rather than an audit in the management representation letter, in violation of AU
8 Section 333.16.

9 17. Respondent failed to include in the management representation letter
10 management's disclosures based on a study of future major repairs and replacements, in violation
11 of CIRA Guide Section 7.58.

12 **SECOND CAUSE FOR DISCIPLINE**

13 **(Audit Report Not in Conformity with Professional Standards)**

14 18. Respondent is subject to disciplinary action under Code section 5100,
15 subdivision (g), in that she willfully violated Code section 5062 by issuing an audit report that
16 did not conform to professional standards, as set forth in paragraphs 8 through 17 above.

17 **THIRD CAUSE FOR DISCIPLINE**

18 **(Failure to Comply with Professional Standards**

19 **While Engaged in Practice of Public Accountancy)**

20 19. Respondent is subject to disciplinary action under Code section 5100,
21 subdivision (g), in that she willfully violated Regulation 58 by failing to comply with all
22 applicable professional standards, including but not limited to, generally accepted accounting
23 principles and generally accepted auditing standards, while engaged in the practice of public
24 accountancy, as set forth in paragraphs 8 through 17 above.

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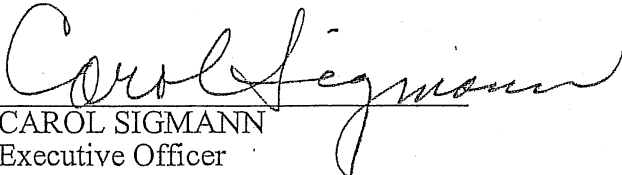
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1 PRAYER

2 WHEREFORE, Complainant requests that a hearing be held on the matters herein
3 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

- 4 1. Revoking, suspending, or otherwise imposing discipline on Certified
5 Public Accountant Certificate Number CPA 48621, issued to Charlene Nicoletta Moore;
6 2. Ordering Charlene Nicoletta Moore to pay the California Board of
7 Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to
8 Business and Professions Code section 5107;
9 3. Taking such other and further action as deemed necessary and proper.

10 DATED: September 21, 2005

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13 CAROL SIGMANN
14 Executive Officer
15 California Board of Accountancy
16 Department of Consumer Affairs
17 State of California
18 Complainant
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